
REDEFINING THE SOVEREIGNTY OF 3RD WORLD THROUGH NEOLIBERALISM

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ABSTRACT

In the era of globalization, the sovereignty of the 3rd world is compromised by the western countries through their perspective. It is imperative to redefine the sovereignty of the 3rd world with respect to capitalism which has colonial tendencies in its framing of regulation to serve its purpose through international institutions, to further have hegemony over different state worlds that can serve in their self-interest. This paper talks about the sovereignty of the of the third world which can be seen as a mythical sovereign state and tries to locate the sovereignty of 3rd world in the contemporary world. The origin of the neoliberal approach to gaining control of the state's sovereignty through regulation of the capitalist economy in order to favor them over the laissez-faire approach, which reduces the interference of the sovereign and can be dangerous to one's country, can be seen in the cases of Chile and Indonesia.

Keywords: Third World, Capitalism, Globalization, Laissez-Faire, Neoliberalism, Sovereignty

In today's world of globalization and web of international relations, sovereignty is important, and nation's sovereignty must be viewed from a global perspective where the new world order emerges from rational theories and practices of sovereignty. The concept of sovereignty is more than the old "Westphalian" concept of a nation's desire to control an area within a defined boundary and citizens where the state is the supreme power to control state affairs.¹ "Sovereignty also plays a role in defining the status and rights of nation-states and their officials."² However, the element of capitalism and development in the twenty-first century has changed the definition of sovereignty. Originally, state sovereignty was defined as the absence of any external forces intervening in the internal affairs of the state. As the global economic market has become more integrated, the interdependence of the sovereign has grown, and the sovereign has less control over the state's market affairs. At the same time, globalization has resulted in the concentration of the world's economic power in the hands of a few countries that always try to see things from their point of view, giving them an advantage over small states. Global forces undermined state sovereignty through single unified organizations backed by a few states.³

Capitalism is one of the main characteristics of globalization, and it is used as a mechanism of growth and prosperity, as well as sustainable development plans, through international institutions such as the World Trade Organization (WTO) and the International Monetary Fund (IMF), where the Western world has hegemony over these establishments, which transit to the Third World to serve their interests. The social and cultural values of the Third World are ignored, and international financial institutions and trade organizations replace national policies to implement neoliberalism and trade, which affect the people living at the cost of violation of human rights.⁴

The term 'neoliberalism' has no specific definition, but one can deduce it from the prefix "neo" which means new from the basic concept of old liberalism, which is the free market as a byproduct of globalization.⁵ The globalization discussion gains significance, where "neoliberalism is considered the ideology of the process of globalization."⁶ The concept of the global market

¹ John H Jackson, *'Sovereignty - Modern: A New Approach to an Outdated Concept'* 23.

² *ibid.*

³ Joel R Campbell and Leena Thacker Kumar, *'Bargaining Sovereignty: State Power and Networked Governance in A Globalizing World'* 18.

⁴ BS Chimni, *'Third World Approaches to International Law: A Manifesto'* 25.

⁵ SG Sreejith, *'Public International Law and the WTO: A Reckoning of Legal Positivism and Neoliberalism'* 77.

⁶ *ibid.*

emerging as a single market in the world economy that is free of trade barriers, thereby increasing global competition. The integration of different diversities, societies, countries, and other different social bodies of different states is what makes neoliberalism a complex global challenge.⁷ All the changes on the forum are built on the principles of “*universalism, individualism, rational voluntaristic authority, progress, and world citizenship*” which change comes from the multinational corporation, NGOs and international institutions.⁸ This international institution and organization is a key player in constantly attempting to nudge the rules and regulations of globalization in favor of developing countries, but in the name of economic growth so that they can exploit their resources to satisfy their interests. This Western world are the main operator of these organization which said to be un-biased by themselves. Laissez-faire concept which means the free markets with the least control by the state and mostly controlled market force by the private player.⁹ Neoliberalism is a component of laissez-faire that combines market economics and liberalization to facilitate the smooth operation of international trade through capitalism. It is a stage in which conflicts of interest and rules, and decision-making procedures are carried out in an organized and anarchical manner through the institution.¹⁰

The capitalism which comes at the cost of lives of millions of people butchered in the countries like Chile and Indonesia.¹¹ The capitalist economy had left the people of the country with nothing more than poverty and cultural -socioeconomic loss in order States to experiment with a free economy by the western countries and the United States of America.¹² The countries were then left to their own by the capitalists, resulting in massive inflation and poverty in the states that were captured on the basis of corruption and the topple the government of the state by the capitalists of the Western countries. The imperialistic nature of globalization has resulted in uneven development of countries, as well as the development of socioeconomic levels which make

⁷ *ibid.*

⁸ John Boli and George M Thomas, ‘*World Culture in the World Polity: A Century of International Non-Governmental Organization*’ (1997) 62 *American Sociological Review* 171.

⁹ ‘*Principles of Political Economy* (Ashley Ed.) | Online Library of Liberty’ <<https://oll.libertyfund.org/title/mill-principles-of-political-economy-ashley-ed>> accessed 14 October 2022.

¹⁰ Sreejith (n 5).

¹¹ Andre Vltchek, ‘Chilean Socialism 1: Indonesian Fascism 0’ (*Le Monde diplomatique*, 25 November 2013) <<https://mondediplo.com/openpage/chilean-socialism-1-indonesian-fascism-0>> accessed 13 October 2022.

¹² *ibid.*

western countries more vulnerable to resources exploitation.¹³

The government of the state's thinks about welfare of the people through globalization as the capitalist have the tendency that greater the wealth, the more it will be shared with the public at large, but this is not the case in reality.¹⁴ It is understandable that the capitalist tries to accumulate the wealth which is used in a manner to increase their profits so that their wealth can increase and be shared among other people; this is the government's myth. The idea that globalization will bring prosperity is an illusion that the theory of well-being tends to underscore.¹⁵ “A recent World Bank study of global income distribution confirms that the top 1 per cent of income earners pulled in over 60 percent of income gains over a recent twenty-year period.”¹⁶

The international institution is the main platform from where the neoliberal governance is shared and to spread the mechanism of the common social order and cultural.¹⁷ Where, the international institution has transferred third-world sovereignty through power redistribution in state politics.¹⁸ International financial institutions have always hampered the third world's economic sovereignty by imposing certain conditions on their economic benefits, as loan or credit for the state economic does not come easily; it comes with many ifs and buts.¹⁹ As the key international political institution United Nation is designed to exploit the sovereignty of the third world, all of the main key players are Western countries with a veto power in the organization shows the sense of imperialism.²⁰ The neo-liberalism for the integration the world economy through legitimate channels to its member state which may be compulsory for them to be in the international forum. There is also insufficient representation of countries around the world, and power is concentrated in a few western countries, leaving other countries with no say on a variety of international issues. In the trade disputes negotiation of WTO, the absents of fair play for the smaller state as they being exploited by the large capital states.²¹ The unequal distribution of power and development through

¹³ BS Chimni, *'Prolegomena to a Class Approach to International Law'* (2010) 21 European Journal of International Law 57.

¹⁴ '2022 - Meeting the Challenge of the Globalisation Paradox.Pdf'.

¹⁵ *ibid.*

¹⁶ *ibid.*

¹⁷ Sreejith (n 5).

¹⁸ BS Chimni, *'International Institutions Today: An Imperial Global State in the Making'* 37.

¹⁹ *ibid.*

²⁰ *ibid.*

²¹ *ibid.*

resource exploitation in the name of globalization is primarily unjust and unfair to third-world countries. The third world faces challenges as a result of neoliberalism, which undermines state sovereignty by directing more resources to capitalist elites in the same world who are influenced by the same ideology as neoliberalism.²² The capitalist elite tries to influence state politics with their capital power, which tends to favor them with the relative harmony of the international institutions for the betterment of the state economy with the rest of the world. The international institution carried out policies more efficiently and effectively with the inter-nation calibration were member participation, which increases functional cooperation and demand to fulfil the neoliberal roles.²³

Previously, western countries exploited the third world through the neoliberal approach, but this is no longer the case in the twenty-first century, where it can raise its concerns on the international forum because third world countries are too large to ignore due to their economic interests of western countries.²⁴ The economic dependence of the countries with the integration of international customary are required to validate 'third world'. This raises global geopolitical issues, as well as third-world growth in the Indo-Pacific region, which is not a paradox of globalization creates uncertainty to the western countries and this can result in the formation of a new international regime to replace the old-world order and form new international relations for future prosperity.²⁵ There are also international institutions that have been established to promote and strengthen international solidarity through globalization and organizational alliances (ASEAN, RCEP, BRICS) to the world economy, which has resulted in a shift in the role of Western power in the Asian continent.²⁶ All of this came at the expense of jeopardizing the sovereignty, human rights, and conditions imposed by the international institutions that paved the way for neoliberalism. The sovereignty of the state and neoliberalism are diametrically opposed; one talks about the state's monopoly to regulate and the other about a market economy free of state regulation. Globalization must be reshaped by the disclosure of a sustainable growth and concrete proof plan that does not undermine the uneven growth of developed and developing countries.

²² Rajeev Patel and Philip McMichael, *'Third Worldism and the Lineages of Global Fascism: The Regrouping of the Global South in the Neoliberal Era'* (2004) 25 Third World Quarterly 231.

²³ Sreejith (n 5).

²⁴ Chimni, *'Third World Approaches to International Law: A Manifesto'* (n 4).

²⁵ Charis Vlahos, Dimos Chatzinikolaou and Badar Alam Iqbal, *'New Globalization and Multipolarity'* 27.

²⁶ *ibid.*

There is a possibility if international institutions and states are flexible enough to eliminate economic disparities and bring countries on the same platform to ensure the delivery of prosperity to their citizens, which would be true globalization.²⁷

“Globalization is incredibly sufficient and but so far incredibly unjust” as it well said because, as we can see over the last two centuries, globalization has resulted in massive growth of humanity, but its concentration among a few countries of the world has resulted in unjust development of countries, where countries with no privilege are exploited by these countries, resulting in the bifurcation of countries allies into western world and third world. The western countries' allies are the most profound members of the international institution where they frame the rules and want to see the world through the lens of their own economic self-interest. “Today, the relationship between the state and the UN is being reconstituted by limiting the sovereignty of the third world and affecting its ability to shape the future world order.”²⁸ Western countries use this as a political institution to validate their thinking and neoliberalism. Globalization has allowed the transnational capitalist class (TCC) to leave their mark on the third world over the last three decades, and with the TCC's neoliberal policies, the third world has gained an advantage over them.²⁹

“In the era of globalization, the reality of dominance is best conceptualized as a more stealthy, complex and cumulative process.”³⁰ Because we saw complete autonomy over colonial countries earlier in the colonial period, whereas there is indirect colonialism autonomy through international institutions.³¹ The third world sovereignty is decreases as this institution made regulation are force to imply in order to coup up with the developed and developing countries which makes them politically and legally unable to sustain for their people before the western countries. This article's conclusion is 1) to understand the concept of sovereignty from the perspective of the third world. 2) how the western world uses international institutions to exploit resources for their own self-interest 3) how the regulations of these international institutions are formulated to westernize the world from their point of view 4) Neoliberalism is best served in the interest of the state's economic

²⁷ ‘2022 - Meeting the Challenge of the Globalisation Paradox.Pdf’ (n 14).

²⁸ Chimni, ‘International Institutions Today: An Imperial Global State in the Making’ (n 18).

²⁹ Chimni, ‘Prolegomena to a Class Approach to International Law’ (n 13).

³⁰ Chimni, ‘Third World Approaches to International Law: A Manifesto’ (n 4).

³¹ *ibid.*

growth, which requires many compromises. 5) Globalization is a tool for human growth, but it is governed by a socioeconomic order based on neoliberalism.